

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC., INTER-COUNTY ENERGY)
COOPERATIVE CORPORATION, NOLIN RURAL) CASE NO
ELECTRIC COOPERATIVE CORPORATION, AND SALT) 2004-00330
RIVER ELECTRIC COOPERATIVE CORPORATION,)
FOR AUTHORITY TO IMPLEMENT A FIXED BILL PILOT)
PROGRAM)

PETITION FOR CONFIDENTIAL
TREATMENT OF INFORMATION

Comes now the petitioner, Laurits R. Christensen Associates, Inc. (“Christensen Associates”) and, as grounds for this Petition for Confidential Treatment of Information (the “Petition”), states as follows:

1. This Petition is filed in conjunction with the application of East Kentucky Power Cooperative, Inc., Inter-County Energy Cooperative Corporation, Nolin Rural Electric Cooperative Corporation, and Salt River Electric Cooperative Corporation for authority to implement a fixed bill pilot program, and relates to confidential information redacted in the response to the Attorney General’s Office of Rate Intervention September 14, 2004 Request for Information, Item 35, and confidential information provided in response to Item 13 of the Commission Staff’s Supplemental Data Request, that is entitled to protection pursuant to 807 KAR 5:001 Section 7 and KRS §61.878 (1) (c) 1 and related sections.

2. The redacted information designated as confidential in the response to AG Initial Request 35 includes the Proposal to CRN (pages 128 -- 134, 156-162), Christensen Associates' Proposal to Support Development of Fixed Billing Service (pages 141- 155), containing Christensen Associates' processes and methodology behind the development of our fixed bill service and pricing information. Disclosure of this information would allow competitors access to Christensen Associates' proprietary information, particularly the detailed steps in the development of our fixed bill service, and the pricing of our services. Use of pricing information to potentially underbid Christensen Associates in the sale of fixed bill services would constitute an unfair competitive disadvantage to Christensen Associates.

3. Also a part of the redacted information in the response to AG Initial Request 35, the Memorandum to Bill Bosta and Jim Lamb dated June 25, 2004 (pages 169 -175), on the subject of the calculation of the fixed bill risk premium, reveals the details of Christensen Associates' methodology and the actual values of our assumptions. We consider this information to be trade secret information and we must endeavor to maintain its confidentiality in order to retain its status as such. Disclosure of confidential information relating to the calculation of the risk premium would allow Christensen Associates' competitors to learn our proprietary techniques for accurately calculating the appropriate risk premiums. These techniques have been developed by Christensen Associates and reflect a significant investment in research time and other resources. Public disclosure would allow competitors to replicate our techniques with zero investment costs on their part; hence public disclosure is both unfair and would competitively harm Christensen Associates.

4. Disclosure of Christensen Associates' proprietary spreadsheet "Risk and Delta Q EKPC.xls", which is submitted in response to Staff Supplemental Request 13, would allow our competitors access to Christensen Associates' proprietary information and intellectual property. The spreadsheet contains Christensen Associates' complete methodology for pricing the risks associated with fixed billing. We consider this information to be trade secret information and we must endeavor to maintain its confidentiality in order to retain its status as such. The assumptions and methodology are described in general terms in the Joint Application by EKPC and its member systems for approval of a fixed billing pilot program. However, revealing the details of this methodology and the actual values of the assumptions would seriously damage Christensen Associates competitiveness with respect to fixed bill consulting, as our competitors would be able to learn all the details of our methods and assumptions.

5. Along with this Petition, Christensen Associates has enclosed one copy of documents listed above with the confidential information identified by highlighting or other designation, and 10 copies with the confidential information redacted. The identified information is Christensen Associates' proprietary information. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 7 and KRS §61.878(1)(c)1, for the reasons stated hereinabove, as information which would competitively harm Christensen Associates and permit an unfair advantage to Christensen Associates' competitors if disclosed. The subject information is also entitled to protection pursuant to KRS §61.878(1)(c)2c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

WHEREFORE, Christensen Associates respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information.

Respectfully submitted,



Dianne C. Christensen
President
Laurits R. Christensen Associates, Inc.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were hand delivered to the office of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and a copy of said Petition was mailed to Elizabeth E. Blackford, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort Kentucky, 40601-8204, this 14th day of October, 2004.

